



**BLADDER CANCER ADVOCACY NETWORK, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**Years Ended December 31, 2020 and 2019**

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Financial Statements**

**Table of Contents**

	Page
<b>Independent Auditors' Report</b> .....	1
<b>Audited Financial Statements</b>	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statement of Functional Expenses for the Year Ended December 31, 2020 .....	5
Statement of Functional Expenses for the Year Ended December 31, 2019 .....	6
Statements of Cash Flows .....	7
<b>Notes to Financial Statements</b> .....	8

## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors**  
***Bladder Cancer Advocacy Network, Inc.***  
**Bethesda, Maryland**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ***Bladder Cancer Advocacy Network, Inc.*** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Independent Auditors' Report**

Page 2

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ***Bladder Cancer Advocacy Network, Inc.*** as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*DeLeon & Stang*

DeLeon & Stang, CPAs and Advisors

Frederick, Maryland

April 22, 2021

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b><u>Current assets:</u></b>		
Cash and cash equivalents	\$ 3,273,232	\$ 1,288,141
Investments	4,103,777	4,254,122
Contributions receivable, current portion	707,351	44,524
Prepaid expenses and other current assets	44,703	43,655
Total current assets	8,129,063	5,630,442
<b><u>Noncurrent assets:</u></b>		
Contributions receivable, noncurrent portion, net	12,750	42,750
Property and equipment, net	39,976	43,276
Security deposit	13,997	13,997
Total noncurrent assets	66,723	100,023
<b>Total assets</b>	<b>\$ 8,195,786</b>	<b>\$ 5,730,465</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b><u>Current liabilities:</u></b>		
Accounts payable and accrued expenses	\$ 26,263	\$ 37,051
Grants payable	150,000	150,000
Total current liabilities	176,263	187,051
<b><u>Other liabilities:</u></b>		
Paycheck Protection Program loan payable	159,500	-
Deferred lease liability	91,484	2,582
Total other liabilities	250,984	2,582
Total liabilities	427,247	189,633
<b><u>Net assets:</u></b>		
Net assets without donor restrictions		
Undesignated	5,018,096	3,978,548
Board designated	1,595,295	900,000
	6,613,391	4,878,548
Net assets with donor restrictions		
Restricted by purpose or time	1,155,148	662,284
Total net assets	7,768,539	5,540,832
<b>Total liabilities and net assets</b>	<b>\$ 8,195,786</b>	<b>\$ 5,730,465</b>

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>Revenue and support:</u></b>						
Contributions	\$ 3,421,499	\$ 722,933	\$ 4,144,432	\$ 2,922,618	\$ 317,043	\$ 3,239,661
Grants	100,000	400,000	500,000	134,634	-	134,634
Conference income	111,940	-	111,940	239,890	-	239,890
Interest and other income	68,459	-	68,459	83,818	-	83,818
Net assets released from restrictions	<u>791,422</u>	<u>(791,422)</u>	<u>-</u>	<u>612,577</u>	<u>(612,577)</u>	<u>-</u>
Total revenue and support	<u>4,493,320</u>	<u>331,511</u>	<u>4,824,831</u>	<u>3,993,537</u>	<u>(295,534)</u>	<u>3,698,003</u>
<b><u>Expenses:</u></b>						
<b><u>Program services:</u></b>						
Research	720,575	-	720,575	655,214	-	655,214
Education and information	372,986	-	372,986	293,989	-	293,989
Think Tank	230,035	-	230,035	435,122	-	435,122
Other	<u>441,167</u>	<u>-</u>	<u>441,167</u>	<u>460,464</u>	<u>-</u>	<u>460,464</u>
Total program services	<u>1,764,763</u>	<u>-</u>	<u>1,764,763</u>	<u>1,844,789</u>	<u>-</u>	<u>1,844,789</u>
<b><u>Supporting services:</u></b>						
Management and general	613,235	-	613,235	643,548	-	643,548
Fundraising	<u>219,126</u>	<u>-</u>	<u>219,126</u>	<u>217,786</u>	<u>-</u>	<u>217,786</u>
Total supporting services	<u>832,361</u>	<u>-</u>	<u>832,361</u>	<u>861,334</u>	<u>-</u>	<u>861,334</u>
Total expenses	<u>2,597,124</u>	<u>-</u>	<u>2,597,124</u>	<u>2,706,123</u>	<u>-</u>	<u>2,706,123</u>
<b>Change in net assets</b>	<u>1,896,196</u>	<u>331,511</u>	<u>2,227,707</u>	<u>1,287,414</u>	<u>(295,534)</u>	<u>991,880</u>
<b>Net assets, beginning of year, before reclassification</b>	4,878,548	662,284	5,540,832	-	-	-
<b>Reclassification</b>	<u>(161,353)</u>	<u>161,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, beginning of year</b>	<u>4,717,195</u>	<u>823,637</u>	<u>5,540,832</u>	<u>3,591,134</u>	<u>957,818</u>	<u>4,548,952</u>
<b>Net assets, end of year</b>	<u>\$ 6,613,391</u>	<u>\$ 1,155,148</u>	<u>\$ 7,768,539</u>	<u>\$ 4,878,548</u>	<u>\$ 662,284</u>	<u>\$ 5,540,832</u>

See Accompanying Notes to Financial Statements

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

	<b>Program services</b>					<b>Supporting services</b>		
	<b>Research</b>	<b>Education and Information</b>	<b>Think Tank</b>	<b>Other</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Personnel costs:								
Salaries	\$ 41,537	\$ 151,127	\$ 171,715	\$ 234,483	\$ 598,862	\$ 164,036	\$ 154,484	\$ 917,382
Employee benefits	3,591	13,066	14,846	20,273	51,776	14,184	13,357	79,317
Payroll taxes	<u>3,045</u>	<u>11,079</u>	<u>12,588</u>	<u>17,189</u>	<u>43,901</u>	<u>12,025</u>	<u>11,325</u>	<u>67,251</u>
Total personnel costs	48,173	175,272	199,149	271,945	694,539	190,245	179,166	1,063,950
Grant expense	655,742	96,300			752,042	-	-	752,042
Occupancy expense	6,480	23,578	26,790	36,582	93,430	25,592	24,101	143,123
IT support and online fees	10,000	5,713	900	20,847	37,460	91,972	3,205	132,637
Consultants	-	11,257	-	33,915	45,172	78,376	-	123,548
Marketing and promotion	-	7,765	-	33,253	41,018	55,126	132	96,276
Printing and copying	-	15,694	-	15,403	31,097	20,806	-	51,903
Accounting fees	-	-	-	-	-	36,699	-	36,699
Travel	-	2,923	-	5,766	8,689	21,586	11	30,286
Meetings and conferences	-	14,277	-	9,286	23,563	-	-	23,563
Postage and shipping	-	2,775	1,411	857	5,043	17,225	-	22,268
Telephone and communications	-	-	-	-	-	17,594	-	17,594
Office supplies	-	26	-	194	220	16,545	-	16,765
Miscellaneous expense	-	8,560	-	2,575	11,135	5,345	-	16,480
State registrations	-	-	-	-	-	896	10,773	11,669
Equipment rental and maintenance	-	-	-	-	-	9,246	-	9,246
Merchandise	-	880	1,420	3,775	6,075	2,186	-	8,261
Dues and membership	-	-	-	3,250	3,250	3,119	1,738	8,107
Media production/services	-	7,248	365	438	8,051	-	-	8,051
Insurance	-	-	-	-	-	6,844	-	6,844
Professional development	-	-	-	-	-	6,549	-	6,549
Depreciation	-	-	-	-	-	6,180	-	6,180
Permits and fees	-	-	-	3,081	3,081	820	-	3,901
Volunteer recognition	-	718	-	-	718	-	-	718
Board expense	-	-	-	-	-	284	-	284
PCORI awards	180	-	-	-	180	-	-	180
<b>Total</b>	<u>\$ 720,575</u>	<u>\$ 372,986</u>	<u>\$ 230,035</u>	<u>\$ 441,167</u>	<u>\$ 1,764,763</u>	<u>\$ 613,235</u>	<u>\$ 219,126</u>	<u>\$ 2,597,124</u>

See Accompanying Notes to Financial Statements

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**

	<u>Program services</u>					<u>Supporting services</u>		
	<u>Research</u>	<u>Education and Information</u>	<u>Think Tank</u>	<u>Other</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs:								
Salaries	\$ 36,757	\$ 133,734	\$ 151,953	\$ 207,497	\$ 529,941	\$ 145,157	\$ 136,705	\$ 811,803
Employee benefits	3,084	11,222	12,751	17,412	44,469	12,182	11,472	68,123
Payroll taxes	<u>2,797</u>	<u>10,177</u>	<u>11,563</u>	<u>15,790</u>	<u>40,327</u>	<u>11,046</u>	<u>10,403</u>	<u>61,776</u>
Total personnel costs	42,638	155,133	176,267	240,699	614,737	168,385	158,580	941,702
Grant expense	510,577	-	-	-	510,577	-	-	510,577
Meetings and conferences	-	81,329	230,081	17,094	328,504	19,944	936	349,384
Marketing and promotion	-	13,258	3,458	50,639	67,355	66,240	301	133,896
Consultants	-	-	1,300	52,540	53,840	59,261	1,507	114,608
Travel	-	26,640	14,263	35,400	76,303	22,817	9	99,129
Printing and copying	200	8,287	2,399	29,721	40,607	21,874	30,840	93,321
PCORI awards	92,081	-	-	-	92,081	-	-	92,081
IT support and online fees	9,667	244	3,549	-	13,460	59,365	9,042	81,867
Occupancy expense	-	-	-	-	-	73,642	-	73,642
Bad debt expense	-	-	-	-	-	38,000	-	38,000
Accounting fees	-	-	-	-	-	32,200	-	32,200
Postage and shipping	-	5,373	1,216	3,748	10,337	16,350	2,738	29,425
Miscellaneous expense	-	555	-	5,977	6,532	12,802	92	19,426
Permits and fees	-	25	-	10,950	10,975	2,776	-	13,751
State registrations	-	-	-	-	-	1,174	11,459	12,633
Dues and membership	-	-	-	-	-	10,035	2,282	12,317
Telephone and communications	51	124	-	-	175	11,625	-	11,800
Merchandise	-	18	1,734	8,684	10,436	997	-	11,433
Media production/services	-	2,831	-	3,265	6,096	4,787	-	10,883
Office supplies	-	82	855	36	973	5,335	-	6,308
Insurance	-	-	-	-	-	5,222	-	5,222
Equipment rental and maintenance	-	90	-	960	1,050	3,094	-	4,144
Board expense	-	-	-	-	-	3,449	-	3,449
Affiliate support	-	-	-	525	525	2,000	-	2,525
Donations - unrestricted	-	-	-	-	-	2,000	-	2,000
Volunteer recognition	-	-	-	226	226	23	-	249
Professional development	-	-	-	-	-	151	-	151
<b>Total</b>	<u>\$ 655,214</u>	<u>\$ 293,989</u>	<u>\$ 435,122</u>	<u>\$ 460,464</u>	<u>\$ 1,844,789</u>	<u>\$ 643,548</u>	<u>\$ 217,786</u>	<u>\$ 2,706,123</u>

See Accompanying Notes to Financial Statements



**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 2,227,707	\$ 991,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,180	-
Bad debts expense	-	38,000
Change in operating assets and liabilities:		
Contributions receivable	(632,827)	306,837
Prepaid expenses and other current assets	(1,048)	(23,204)
Security deposit	-	(10,149)
Accounts payable and accrued expenses	(10,788)	(10,835)
Deferred revenue	-	(120,000)
Grants payable	-	(44,557)
Deferred lease liability	88,902	(6,829)
Net cash provided by operating activities	1,678,126	1,121,143
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchases of investments	-	(1,510,000)
Proceeds from the sales of investments	150,345	457,578
Purchases of property and equipment	(2,880)	(43,276)
Net cash provided by (used in) investing activities	147,465	(1,095,698)
<b><u>Cash Flows From Financing Activities:</u></b>		
Proceeds from Paycheck Protection Program loan	159,500	-
Net cash provided by financing activities	159,500	-
<b>Net increase in cash and cash equivalents</b>	1,985,091	25,445
<b>Cash and cash equivalents at, beginning of year</b>	1,288,141	1,262,696
<b>Cash and cash equivalents at, end of year</b>	\$ 3,273,232	\$ 1,288,141

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Bladder Cancer Advocacy Network, Inc. (BCAN) is a not-for-profit corporation that was established in 2005 as the first national patient-based advocacy organization for bladder cancer. BCAN serves as the leading voice for bladder cancer in the United States by providing resources to not only those diagnosed with the disease but also their families, caregivers and the medical community united in support of people affected by the disease. The organization is setting the agenda for bladder cancer by promoting and funding collaborative and cutting-edge research programs and providing critical patient support and education services. Each year, it provides thousands of patients, caregivers, and the medical community with the educational resources and support services they need to navigate their bladder cancer journey. BCAN works collaboratively with the medical and research professionals who are dedicated to the prevention, diagnosis, and treatment of bladder cancer and empowers the patient community by allowing them to share their experiences with others and to participate in building awareness of the need for a cure.

Significant Program Services

A summary of BCAN's significant programs follows:

*Research*

BCAN works to advance bladder cancer research. Recognizing the overwhelming need for research funding, BCAN has engaged a new generation of researchers with the Young Investigator Research Awards, and in 2020 granted three awards. In addition, BCAN supports exceptionally novel and creative projects with great potential to produce breakthroughs in the management of bladder cancer through its Bladder Cancer Research Innovation Award, a \$300,000 grant awarded over two-years. One Research Innovation award was granted in 2020. To encourage greater collaboration among bladder cancer researchers, BCAN launched the Bladder Cancer Genomics Consortium (BCGC), a collaborative effort between BCAN and major medical centers, with the goal of developing an enriched understanding of the genomic profile of bladder cancer to facilitate the development of novel therapeutics. The first research project is underway which focuses on patients with metastatic disease, an area in great need of improved treatments. BCAN has invested \$2.3 million from private philanthropy to support the study management, support services, and genomic sequencing reporting – costs which are often a barrier to personalized care for patients. With the launch of BCGC, BCAN has now invested more than \$5.3 million in bladder cancer research.

*This space intentionally left blank.*

**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Notes to the Financial Statements (Continued)**

**December 31, 2020 and 2019**

**NOTE 1      ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Education and Information*

BCAN hosts a variety of educational programs and publishes printed materials to educate those coping with a bladder cancer diagnosis. BCAN's comprehensive patient handbook, "Bladder Cancer Basics for the Newly Diagnosed," has been provided to thousands of survivors, caregivers, urology practices, and cancer centers across the United States. The Patient Insight Webinar Series is an interactive program that addresses a variety of issues. The webinars feature top experts in their field and address patient concerns in an easy format. The Survivor 2 Survivor program connects newly diagnosed patients with survivors with a similar diagnosis.

*Think Tank*

The Bladder Cancer Think Tank (Think Tank) is the medical symposium dedicated solely to bladder cancer. Through collaboration, urologists, oncologists, scientists, and researchers are pioneering new treatment protocols, investigating genetic expressions, and improving access to quality care for those living with the disease. The John Quale Travel Fellowship Program provides financial support to help select researchers pay travel expenses related to their attendance at the annual Bladder Cancer Think Tank where they have the opportunity to present their research, network with leading bladder cancer researchers and gain insights from the Think Tank.

Other Program Services

Other program services include the following:

*Walk to End Bladder Cancer*

The Walk to End Bladder Cancer is BCAN's signature awareness event and primarily takes place in May. The Walks unite bladder cancer survivors, loved ones, and the medical community to promote recognition and understanding of the disease. In 2020, for BCAN's Virtual Walk to End Bladder Cancer, there were 2,143 participants from 859 cities and 46 states plus the District of Columbia. More than 6,700 viewed the broadcast on BCAN's social media channels. The overall awareness initiative reached more than 4.3 million through the website, mailings, digital advertising, promotion, and outreach.

*Walk for Bladder Cancer®*

The event includes a health walk, survivor recognition, and education about the signs and symptoms of bladder cancer. Many walk participants also raise additional funds to support BCAN's mission programs. The Walk for Bladder Cancer® is traditionally held in May as part of Bladder Cancer Awareness Month.

*This space intentionally left blank.*

**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Notes to the Financial Statements (Continued)**

**December 31, 2020 and 2019**

**NOTE 1      ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Advocacy*

As the voice for the patient community, BCAN participates in coalitions and works with other membership groups to weigh in on policy issues that directly impact those living with bladder cancer. Through its annual Bladder Cancer, BCAN provides participants with the opportunity to build connections, identify bladder cancer state and national legislative issues of importance, and learn best practices for raising awareness of bladder cancer within communities.

The advocates successfully urged legislators to support a resolution recognizing National Bladder Cancer Awareness Month. Expanding cancer research is a priority for BCAN. BCAN is a member of *One Voice Against Cancer*, a coalition of patient advocacy groups that work together to support government funded cancer research. Drug shortages, access to screening, and insurance coverage issues are BCAN's other legislative priorities.

*Patient and Volunteer Support*

BCAN is a grassroots organization and volunteers are an important part of patient outreach. BCAN continues to expand its volunteer programs which were formalized in 2014.

- *Survivor 2 Survivor* matches newly diagnosed patients with other survivors who have had a similar experience. Through these personal connections, newly diagnosed patients learn more about living with bladder cancer and treatment options.
- The *Speaker's Bureau* is a program that trains community volunteers to promote bladder cancer awareness. The program has three components - providing basic information at health fairs where they work, live and worship, sharing your personal story to make an impact, and conducting a formal community education presentation "Bladder Cancer 101".

Accounting Method

BCAN uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, BCAN considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

*This space intentionally left blank.*

**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Notes to the Financial Statements (Continued)**

**December 31, 2020 and 2019**

**NOTE 1      ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments

Investments consist primarily of US Treasuries and certificates of deposit. These investments with readily determinable fair values are reflected at their fair market value based on quoted market prices. To adjust the carrying amount of these investments, the difference between cost and fair market value is charged or credited to operations and reflected in the statements of activities. Dividends and interest are reflected as income when earned.

Fair Value Measurements

BCAN complies with Financial Accounting Standards Codification topic, *Fair Value Measurements*. The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest prior to unobservable inputs (level 3 measurement).

Contributions receivable

Contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection information and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. At December 31, 2020 and 2019, management feels the amount in contributions receivable is fully collectible.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over an estimated life of three years. Repairs and maintenance fees are charged to expense when incurred.

Description of Net Assets

Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.

*Net Assets With Donor Restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. Net assets with donor restrictions totaled \$998,795 and \$662,284 at December 31, 2020 and 2019, respectively.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 1      ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Recent Accounting Pronouncements

During the year ended December 31, 2020, BCAN adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. This updated provides clarifying guidance on accounting for the grants and contracts of nonprofit organizations as they related to the new revenue recognition standards implemented by ASU 2019-09 and aims to minimize diversity in the classification of grants and contracts that exist under current guidance.

Based on BCAN's evaluation process and review of its contracts with customers, the timing and amount of revenue as previously recognized is consistent with revenue recognition under the new standard. The adoption of ASU 2018-08 did not have any effect on net assets balances or previously issued financial statements.

Revenue Recognition

BCAN recognizes contributions when cash, securities, or other assets; unconditional promise to give; or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Grants and contributions received that are designated for future periods or that are restricted by the donor for specific purposes, if any, are reported as support with donor restrictions and as an increase to net assets with donor restrictions. All other amounts received are reported as support without donor restrictions and as an increase to net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Conference income is recognized at the time of the conference, which is when the performance obligation is satisfied.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized in the accompanying statements of functional expenses. Costs which cannot be specifically identified with a particular function and which benefit more than one functional category are allocated to the different functional areas based on an allocation of salaries. Management believes that this method accurately reflects the cost of administering BCAN's programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Tax Exempt Status

BCAN is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to BCAN's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2020 and 2019, there was no unrelated business income.

Accounting for Uncertain Tax Provisions

In general, when tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets, along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

BCAN has determined that no such liabilities were required at December 31, 2020 and 2019. At December 31, 2020, tax years 2017 through 2019 remain subject to examination by federal and state taxing jurisdictions. BCAN has not been contacted by any tax authority regarding any tax issue.

**NOTE 2**      **RISKS AND UNCERTAINTIES**

Concentration of Credit Risk

Financial instruments which potentially subject BCAN to concentrations of credit risk include cash deposits with commercial banks. BCAN's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may, however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

Global Pandemic

Subsequent to year end, U.S. and global business and financial markets continue to be severely impacted by the COVID-19 pandemic. The potential long-term impact on BCAN's investments, revenue, expenses, and cash flows cannot be determined at this time.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 3**      **INVESTMENTS**

The three levels of the fair value hierarchy are described as follows:

- Level 1*      Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2*      Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3*      Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

BCAN's investments consist of U.S. Treasuries and certificates of deposit. The following is a description of the valuation methodologies used for US Treasuries and certificates of deposit at fair value and their classification in the valuation hierarchy:

*U.S. Government bonds and certificates of deposit* – Valued at closing price reported in the active market in which the security is traded. Such securities are classified within Level 2 of the valuation hierarchy.

**NOTE 4**      **CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of unconditional promises to give to promote bladder cancer research. Contributions receivable are due as of December 31, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Unconditional contributions receivable	\$ 722,106	\$ 89,279
Less: unamortized discount	<u>(2,005)</u>	<u>(2,005)</u>
Net unconditional promises to give	<u>\$ 720,101</u>	<u>\$ 87,274</u>
	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 707,351	\$ 44,524
Receivable in one to five years	<u>12,750</u>	<u>42,750</u>
Total contributions receivable, net	<u>\$ 720,101</u>	<u>\$ 87,274</u>

As of December 31, 2020 and 2019, management believes these contributions to be fully collectible, and accordingly no reserve has been established.

*This space intentionally left blank.*



**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 5**      **PROPERTY AND EQUIPMENT**

BCAN holds the following property and equipment as of December 31,:

	<u>2020</u>	<u>2019</u>
Computer equipment and software	\$ 19,534	\$ 16,654
Furniture and equipment	<u>57,089</u>	<u>57,089</u>
Total property and equipment	76,623	73,743
Less: accumulated depreciation	<u>(36,647)</u>	<u>(30,467)</u>
Property and equipment, net	<u>\$ 39,976</u>	<u>\$ 43,276</u>

Depreciation expense totaled \$6,180 and \$0 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 6**      **PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

During April 2020, BCAN entered into a loan agreement with Capital One Bank, N.A. in the amount of \$159,500 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus aid, Relief, and Economic Security (CARES) Act.

Under the terms of the PPP, all or a portion of the loan, including accrued interest may be forgiven if they are used for qualifying expenses, as described in the CARES Act, such as payroll, benefits, rent, and utilities, and if BCAN maintains its payroll levels.

The loan bears a 1% interest rate. The original note agreement calls for a six month deferral period, however, on June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act) was signed into law, amending the CARES Act and extending the loan's deferral period to ten months after the loan forgiveness covered period, provided a loan forgiveness application is submitted to the lender within that 10-month timeframe. The loan forgiveness covered period is the 24-week period beginning on the date the PPP loan was disbursed. Therefore, no repayment on any unforgiven portion of the loan is expected to be due until August 2021.

In February 2021, the SBA partially forgave BCAN's PPP loan in the amount of \$143,364 resulting in a remaining outstanding balance of \$16,136.

**NOTE 7**      **COMMITMENTS**

BCAN entered into a lease agreement for office space in Bethesda, Maryland for a 63-month term beginning on January 1, 2012, with the first three months of rent abated. The lease requires base monthly payments of \$3,848 with a 4% increase annually and BCAN's share of operating expenses and real estate taxes. On April 6, 2015, BCAN signed an addendum to the lease for additional space, extending the lease term an additional five years from the date of the addendum.

On July 29, 2019, BCAN reached an agreement for a new lease space at 4520 East West Highway in Bethesda, Maryland for a term of 93 months. BCAN moved in January 2020. Base monthly rent under the new lease is \$10,149 with a 2.75% increase annually and BCAN's share of operating expenses and real estate taxes. The first nine months of rent were abated.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 7**      **COMMITMENTS** (Continued)

In accordance with accounting principles generally accepted in the United States of America (GAAP), all rental payments are recognized on a straight-line basis over the term of the lease. Deferred lease liability in the amounts of \$91,484 and \$2,582 as of December 31, 2020 and 2019, respectively, are included in the accompanying statements of financial position. For the years ended December 31, 2020 and 2018, occupancy expense totaled \$143,123 and \$73,642, respectively.

At December 31, 2020, the future minimum base lease obligations are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 125,076
2022	128,520
2023	132,036
2024	135,660
2025	139,380
2026 and thereafter	<u>253,557</u>
	<u>\$ 914,229</u>

**NOTE 8**      **BOARD DESIGNATED NET ASSETS**

As of December 31, 2020 and 2019, the Board had designated net assets without donor restrictions as follows:

	<u>2020</u>	<u>2019</u>
General reserves	\$ 1,100,000	\$ 900,000
Research	<u>495,295</u>	<u>-</u>
	<u>\$ 1,595,295</u>	<u>\$ 900,000</u>

These designated amounts cannot be used for operations unless the Board of Directors approves such action.

*This space intentionally left blank.*

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 9**      **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2020 and 2019 were comprised of the following time and purpose restricted categories:

	<u>2019</u>	<u>Additions</u>	<u>Releases</u>	<u>2020</u>
<u>Purpose restricted:</u>				
Cancer Research				
Challenge Grant	\$ 330,680	\$ 412,033	\$ (470,000)	\$ 272,713
PCORI	135,826	-	(134,880)	946
Bladder Cancer Genomic				
Collaboration	357,131	900	(186,542)	171,489
<u>Time restricted:</u>				
2021 program				
contributions	-	710,000	-	710,000
	<u>\$ 823,637</u>	<u>\$ 1,122,933</u>	<u>\$ (791,422)</u>	<u>\$ 1,155,148</u>

During the year ended December 31, 2020, it was identified that \$161,353 of net assets with donor restrictions was improperly included with net assets without donor restrictions as of December 31, 2019. The appropriate reclassification is included in the statement of activities as of December 31, 2020.

**NOTE 10**      **LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects BCAN's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year, and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, :

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 3,273,232	\$ 1,288,141
Investments	4,103,777	4,254,122
Contributions receivable, current portion	<u>707,351</u>	<u>44,524</u>
Financial assets available to meet cash needs		
for general expenditure within one year:	<u>\$ 8,084,360</u>	<u>\$ 5,586,787</u>

BCAN has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to these available financial assets, BCAN operates with a balanced budget and it is expected that a significant portion of annual expenditures not covered by donor-restricted resources will be funded by current year collections of contributions and grants.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**NOTE 11**      **SUBSEQUENT EVENTS**

All subsequent events have been evaluated through April 22, 2021, which is the date the financial statements were available to be issued. Except as disclosed in Note 6, there were no subsequent events identified requiring disclosure or recognition in the financial statements.